



County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 26, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

CALFRESH TRAFFICKING (ITEM NO. 56-A, OF FEBRUARY 21, 2012)

This is in response to your Board Motion of February 21, 2012, introduced by Supervisor Antonovich, directing the Chief Executive Officer (CEO), in conjunction with the Acting Director of the Department of Public Social Services (DPSS), and in consultation with the District Attorney (DA), to report back in 30 days on the development of a comprehensive program to identify, prosecute and prevent CalFresh trafficking in Los Angeles County. This effort should include working with the United States Department of Agriculture-Food and Nutrition Service (USDA-FNS), USDA-FNS-Office of Inspector General (USDA-FNS-OIG), and the California Department of Social Services (CDSS); and include an assessment of the possible use of technology.

On March 13, 2012, representatives from the CEO, DPSS, DA, USDA-FNS, USDA-FNS-OIG, CDSS Fraud Bureau and CDSS Policy Section met to discuss actions that could be taken to strengthen the identification, prosecution and prevention of CalFresh trafficking. The following efforts are in place or underway:

- **DPSS** is developing an Educational Campaign to enhance awareness among CalFresh participants that CalFresh trafficking is illegal. This campaign will include the following activities:
 - Update DPSS' CalFresh and Electronic Benefit Transfer (EBT) websites, and the Your Benefits Now on-line system with trafficking information.

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- Develop and include an informational flyer addressing trafficking and penalties in DPSS CalFresh intake and annual recertification packets, and distribute at outreach events.
- Develop fraud posters to display in the DPSS District Office lobbies that address trafficking convictions.
- **DPSS** is working in collaboration with CDSS to check Craigslist, Facebook and Twitter on a daily basis for any ads selling or soliciting CalFresh benefits. CDSS currently ensures that these posts are removed promptly, within a few hours, when found on Craigslist. Facebook and Twitter posts are directed to the DPSS Welfare Fraud Investigators for further investigation.
- **DPSS** is conducting Administrative Disqualification Hearings (ADH) for participants who have committed welfare fraud, including CalFresh trafficking. ADH is a process for disqualifying individuals from the program for specified time periods when fraud is substantiated, but the DA does not prosecute.
- **DPSS** welfare fraud is working closely with the DA on sting operations for CalFresh trafficking.
- **DPSS** is exploring the use of the County's Data Mining Solution for CalFresh trafficking.
- **DA** has recommended formation of a multi-jurisdictional Task Force comprised of federal, State and local agencies to develop new strategies for investigation and prosecution of participants engaging in CalFresh trafficking. The Task Force would evaluate available data sources, develop criteria for initiating investigations and work collaboratively on the resulting investigations and prosecutions of CalFresh traffickers. CDSS has indicated they will evaluate rolling this recommendation into the workgroup they are forming to address CalFresh trafficking.
- **CDSS** plans to convene a workgroup in April 2012, working through the County Welfare Directors Association (CWDA) of California, to address CalFresh trafficking. The workgroup will consist of representatives from CWDA; four Counties of which Los Angeles County will be one; Special Investigation Units and; selected advocates. Additionally, CDSS is working with USDA-FNS to develop a Statewide Recipient Integrity Plan that will outline specific activities the State and county agencies will use to identify, prosecute and prevent participants' trafficking CalFresh benefits.

- **USDA-FNS** administers the authorization of retailers to participate in the CalFresh program and conducts compliance reviews for administrative follow-up, such as sanctions. **USDA-FNS-OIG** conducts criminal investigations related to FNS program fraud, including trafficking CalFresh benefits. In addition, our federal partners engage in data mining efforts that provide information on CalFresh participants related to the retailers that they are investigating. This participant information is shared with DPSS for potential investigation.

DPSS' existing partnership with USDA-FNS and USDA-FNS-OIG is being strengthened by their commitment to regularly share information with the DA and DPSS investigators regarding ongoing retailer investigations. New strategies will be developed at the State and local level to focus on participants engaging in CalFresh trafficking.

We will report back to your Board in 90 days on the progress of the efforts underway.

WTF:KH
DS:JAB:ljp

c: Executive Office, Board of Supervisors
Acting County Counsel
District Attorney
Public Social Services

CalFresh Trafficking.bm